

**COMBUSTION EQUIPMENT ASSOCIATES, INC.**

555 Madison Avenue, N.Y., N.Y. 10022 • 212/980-3700 • Telex 126695

October 6, 1978

Compaction Systems Corporation of New Jersey  
c/o Compaction Systems Corporation  
1381 Oak Point Avenue  
Bronx, New York 10474

Attention: Mr. Martin Sternberg  
Vice President

Gentlemen:

This letter agreement will set forth the arrangement pursuant to which Compaction Systems Corporation of New Jersey ("Compaction") shall provide management and supervisory services for the two landfills (Morris County and Chester which landfills are hereinafter referred to as the "landfills") presently operated by Combe Fill Corporation ("Combe"), a wholly owned subsidiary of Combustion Equipment Associates, Inc.

Combe shall provide operating personnel for the landfills which personnel shall be reasonably satisfactory, as to numbers, experience and work performance, to Compaction.. Compaction shall provide a qualified supervisor for the landfill who shall be selected by Compaction subject to the approval of Combe, which approval shall not be unreasonably withheld. Ralph Villani who has been selected as the initial supervisor has been approved by Combe.

Combe shall provide all equipment and supplies reasonably determined by Compaction to be necessary for the proper operation of the landfills, other than one maintenance vehicle which is to be provided by Compaction. Compaction shall provide routine periodic maintenance including regular oil changes, grease and fluid changes all as shall be deemed necessary by Compaction. In addition, Compaction shall supervise the provision of all required repairs and major maintenance items to equipment; the actual cost of such repairs and maintenance is to be paid by Combe. Except as otherwise expressly set forth herein, Combe shall be responsible for all costs of the operations of the landfills.

Compaction shall keep the management of Combe informed as to the regular operations of the landfill and the promotion of the landfills and shall make recommendations for the procedures and regulations for the operation of the landfills. Combe shall, at its sole expense, provide liability insurance, with coverages as are normal in the industry and with carriers of good repute, with both Combe and Compaction named as insureds under such policies.

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For its services hereunder Combe shall pay to Compaction a monthly fee of \$13,000.00 per month payable upon invoicing and in no event later than 10 days after the end of each month of the effectiveness of this agreement. Additionally all other items payable to Compaction by Combe hereunder shall be paid within 10 days of invoicing. This agreement shall be deemed to have been effective as of September 15, 1978. This agreement shall continue in effect for a period of ten years from September 15, 1978 provided that at all times after September 15, 1983 the monthly fee of Compaction shall be increased to \$14,300.00 per month; and further provided, in the event that Combe sells or disposes of the Landfills this agreement will be terminated with no further liabilities for service and or payment required as contained herein.

This agreement shall be governed by and interpreted under the laws of the state of New Jersey and may only be modified by a written agreement signed by the party against which such modification is to be enforced.

Please acknowledge your acceptance of this agreement by signing and delivering to Combe the duplicate copy of this agreement which has been delivered herewith.

Very truly yours,

Combe Fill Corporation

By T. Barrah Moore

T. Barrah Moore  
Vice President Regional Management

Agreed to and accepted

Compaction Systems Corporation of New Jersey

By Martin Sternberg

Martin Sternberg  
Vice President